

Tualatin Valley Water District



Delivering the Best Water  Service  Value

Board Special Meeting/Work Session Minutes April 3, 2018

SPECIAL MEETING – 6:00 PM

CALL TO ORDER

Commissioners Present: Bernice Bagnall; Jim Doane, PE; Jim Duggan, PE; Dick Schmidt
Commissioner Absent: Richard Burke

Staff Present: Clark Balfour, General Counsel; Andrew Carlstrom, Customer Service Manager; Dave Kraska, PE, Water Supply Program Director; Paul Matthews, Chief Financial Officer; Andrea Watson, Communications and Public Affairs Supervisor; Donna Andrews, Business Analyst; Debbie Werner, District Recorder

ANNOUNCEMENTS

Mr. Carlstrom presented the Safety Minute on hands-only cardiopulmonary resuscitation (CPR). He also provided information on Management Team coverage while the Chief Executive Officer is out, recent annexations into the District and new Board Communications Log items as well as expressed condolences for the death of Nina Heidgerken (see attached memo).

1. BUSINESS AGENDA

- A. Consider adopting Resolution No. 13-18, a resolution reaffirming the declaration of public necessity to acquire real property for a terminal reservoir storage site for the Willamette Water Supply System as set forth in Resolution No. 12-17 and authorizing condemnation proceedings.

Mr. Balfour reviewed the staff report.

Motion was made by Duggan, seconded by Doane, to adopt Resolution No. 13-18, a resolution reaffirming the declaration of public necessity to acquire real property for a terminal reservoir storage site for the Willamette Water Supply System as set forth in Resolution No. 12-17 and authorizing condemnation proceedings. The motion passed unanimously with Bagnall, Doane, Duggan and Schmidt voting in favor.

WORK SESSION

2. DISCUSSION ITEMS

- A. Customer Information System (CIS) Update

Mr. Carlstrom gave an overview of the meter-to-cash cycle before describing elements of a CIS and its background at the District (see attached presentation). Next, he identified the CIS project purpose, objectives, scope, schedule, funding and structure before outlining components of related agreements and ongoing business process analyses.

In response to questions, staff said:

- The District's categorization as a "tier two" organization (handling around 100,000 customer accounts) determines the types of products available, but the District likely isn't limited in choices if staff wants to link CIS to any existing electronic systems (e.g., the computerized maintenance management system).
- The \$4.822 million budgeted for the project includes inflation, is designed to cover consulting, hardware and licensing costs, and was an estimate from the 2015 IT Master Plan; total projects costs are unknown. Clean Water Services' shares of the cost are to be determined. Costs will extend into future biennial budgets, and additional costs may or may not create a need for a supplemental budget.
- The new system would be required to allow the District to continue its contractual obligations to the City of Beaverton for meter reading.
- Most billing systems are designed to handle multiple utilities; the requirement for coexistence of water and sewer/storm accounts should not require customization.
- The District's IT Services Director can provide an overview of effects on staffing.
- While the project may not result in cost savings, it will reduce the risk inherent in an aging utility billing system, as identified in the IT Master Plan, and will result in efficiencies.

B. Update on Public Employees Retirement System (PERS) Funding

Mr. Matthews provided an overview of PERS, described the District's PERS rates and liabilities and highlighted recent PERS reforms and potential next steps (see attached presentation).

In response to a question, he said the proposed Oregon Public Service Retirement Plan (OPSRP) rates for the 2019-21 biennium includes backfilling the liability the District has already incurred. Actions taken at the prior legislative session allow more employers to establish side accounts with reduced administrative costs.

C. Debrief on Joint Utilities Commission and West Slope Water District Meetings

Mr. Carlstrom initiated a discussion of joint meetings (see attached presentation).

Commissioner feedback included:

- Appreciation for the value found in joint meetings with certain agencies, especially in learning more about the West Slope Water District system and common challenges with TVWD.
- The desire to strengthen relationships with other agencies that have strong commonalities or where there are legislative partnership opportunities.

- Appreciation for the content of staff presentations.

ADJOURNMENT

There being no further business, Vice President Bagnall adjourned the meeting at 7:25 p.m.

Richard Burke, President

Dick Schmidt, Secretary



MEMO

Date: April 3, 2018
To: TVWD Board of Commissioners
From: Andrew Carlstrom, Customer Service Manager
Re: CEO Announcements

In Mark Knudson's absence, I will cover the following items during the CEO's Announcements at the meeting:

1. **Be Sure to Use Microphones** – Just a reminder to please be sure to use your microphone whenever you are speaking during the work session this evening. Also, please be sure to turn off your microphone when you are not speaking.
2. **Safety Minute** – I will present the safety minute this evening.
3. **Management Team Coverage for CEO** – As a reminder, Mark Knudson will be out of the office during April and is not attending either tonight's meeting or the April 18 regular meeting. I will be facilitating the April 3 meeting, and Paul Matthews will be acting CEO for the meeting on April 18. We all wish Mark a smooth and speedy recovery. And in the meantime, Management Team members have stepped up to ensure continuity of operations while Mark is out. Please let Debbie Werner know if you have any questions about CEO duty coverage.
4. **Annexations Into TVWD** – At its April 3 meeting, the Washington County Board of Commissioners is considering the annexation of five parcels and right-of-way along NW Laidlaw Road, totaling 23 acres, into TVWD. This annexation is related to the blanket annexation endorsement that the TVWD Board previously provided for Area 93. As each property must petition to annex into a special district, at the April 3 meeting, the Washington County Board of Commissions is also considering annexation of the same five parcels into Clean Water Services, Tualatin Valley Fire & Rescue and Tualatin Hills Park & Recreation District.
5. **Board Communications Log** – There are two new items on the Board Communications Log. The March 9 Finance Committee meeting summary and a response to a question from Commissioner Doane are attached along with the log.
6. **Nina Heidgerken** – Lastly, on behalf of Mark Knudson and the Management Team, sincere TVWD condolences to Clackamas River Water General Manager Todd Heidgerken and his family on the loss of Todd and Laura's daughter Nina this past week. The Heidgerkens are in the thoughts of everyone here at the District.

2018 Board Communications Log

Commissioner Questions/Topics: (includes research requests directed to staff via email or at Board meeting)

- Initial request sent to Mark (copy Board President)
- Mark responds with projected timeframe for response and any other logistical info
- Answer shared with the full Board during work sessions

Item Number	Requestor	Subject	Date Submitted	Response Date	Date Information Shared with Full Board
01-18	Doane	Overall percentage rate increases	3/21/18	3/23/18	April 3

Board Committee Information:

- Meeting notes/handouts shared with the full Board during work sessions

Meeting Date	Notes	Date Information Shared with the Full Board
Finance Committee		
March 9	Meeting synopsis prepared by Katherine DeSau	April 3
Policy and Board Development Committee		
Strategic Planning Committee		
Water Supply Committee		

Debbie Werner

From: Paul Matthews
Sent: Friday, March 23, 2018 9:59 AM
To: Jim Doane
Cc: Mark Knudson; Debbie Werner
Subject: Answer to Question Regarding Recent Rate Increases

Commissioner Doane:

In answer to your question Wednesday evening, below is a table that presents the District's overall percentage rate increases for the past few years.

Effective Date	Overall Rate Increase
11/1/2014	12.0%
11/1/2015	16.4%
11/1/2016	14.5%
11/1/2017	13.5%
11/1/2018	13.5%

Please let me know if I misunderstood your question or if you need additional information. Thank you.

Regards,

Paul

Paul L. Matthews

Chief Financial Officer

1850 SW 170th Ave, Beaverton, OR 97003
direct 503-848-3017 // *fax* 503-356-3117
paul.matthews@tvwd.org
www.tvwd.org

Tualatin Valley Water District

Delivering the Best Water • Service • Value

Tualatin Valley Water District



Delivering the Best Water  Service  Value

Finance Committee Meeting

March 9, 2018

Meeting Notes

Attendees: Commissioners Bernice Bagnall and Jim Duggan, PE

Staff Present: Mark Knudson, PE, Chief Executive Officer; Paul Matthews, Chief Financial Officer; Andrew Carlstrom, Customer Service Manager; Tim Boylan, IT Services Director; Katherine Lipari DeSau, Administrative Assistant

1. Customer Information System Project Governance

Staff described the project between TVWD and Clean Water Services (CWS) to replace the current utility billing system with a new Customer Information System (CIS). Staff's recommended option for governance of the project is a "Joint Venture Lite", to be executed as an ORS 190 intergovernmental agreement. This option is intended to enhance partnerships, minimize risks and provide transparency in cost sharing. Both agencies would have ownership in the project, and TVWD would serve as the managing agency for the project.

In response to questions, staff explained that TVWD employees and CWS are eager to deliver the best service and collaborate on this project. The Finance Committee emphasized the importance of consultant selection, periodic audits, risk management, expense allocation and anticipating possible cost overruns.

It is anticipated that this matter will be introduced to the full Board at the April work session.

<p>1. Meeting Agenda, Executive Project Decision Points</p> <p>A. Agenda</p> <ol style="list-style-type: none"> 1. Overview of project (page 1 of this handout) 2. Overview of utility billing technology relationship options (page 2) 3. Discussion of joint venture options 4. Decision point <p>B. Executive Decision Point for Today's Meeting</p> <p>Do the TVWD and CWS executive leadership authorize project sponsors to implement a variant of a Joint Venture Structure - either a Joint Venture or a "Joint Venture Lite" - for the CIS project and the TVWD-CWS relationship under the new CIS?</p> <p>C. Next Steps if Approved</p> <ol style="list-style-type: none"> 1. Begin drafting agreement(s) using feedback from executive briefing 2. Develop MOU for meter to cash audit 3. Develop overall project charter for executive approval 	<p>2. Project Purpose, Objectives</p> <p>A. Project Purpose</p> <p>Replace TVWD's aging, customized Utility Billing ("UB") system with a commercial, off the shelf Customer Information System (CIS). Project will continue to build on the collaborative business relationship between TVWD and Clean Water Services.</p> <p>B. Key Project Objectives (in selecting a new CIS platform):</p> <ol style="list-style-type: none"> 1. Address current and projected business needs 2. Provide improved system reliability 3. Increase customer satisfaction 4. Improve supportability through: <ul style="list-style-type: none"> ✓ Minimizing (goal is zero) new system customization ✓ Regular, vendor-provided technology updates ✓ Complete legacy platform retirement 5. Provide greater integration with key business systems 6. Manage risk through: <ul style="list-style-type: none"> ✓ Better controls ✓ Data management, including customer information ✓ Vendor support 7. Provide a sustainable, predictable support cost model 	<p>3. Project Scope/Schedule/Budget</p> <p>A. Project Scope</p> <ol style="list-style-type: none"> 1. Audit current business process and supporting technologies 2. Review which TVWD-CWS processes are "in scope" 3. Develop functional and technical requirements 4. Select and procure a new CIS and implementation consultant(s) 5. Develop and execute an implementation plan <p>B. Project Schedule</p> <ul style="list-style-type: none"> ✓ Multi-phase and multi-year project ✓ 2018: Audit, selection of project consultants and CIS vendor ✓ 2019: Implementation ✓ 2020: New TVWD-CWS CIS go live <p>C. Project Budget</p> <ul style="list-style-type: none"> ✓ \$4.822 million overall project budget (CIP) ✓ TVWD has budgeted \$100,000 for a "meter-to-cash audit" ✓ CWS cost share: dependent on TVWD-CWS agreement model
---	--	---

4. Project Roles/Responsibilities

Project Function >>	Oversight		Ownership	Execution		Other Expertise	Contracted Products & Services	
Committee/Work Group >>	Executive Committee	Oversight Committee	Sponsors	Project Management	SMEs and Users	Review Committees	CIS Vendors	Project Consultants
Composition >>	CWS GM, Deputy GM TVWD CEO	TVWD Cust Serv Mgr - Chair CWS Bus Ops Dir - Vice-Chair TVWD IT Services Dir TVWD CFO TVWD Eng & Ops Mgr CWS Finance Mgr CWS IT Mgr	Managing Agency - TVWD CS Mgr Partner Agency - CWS Bus Ops Dir	Project Manager	TVWD and CWS Staff - Cust Serv & Billing - Fin/Acctg - Eng Svcs - Other SMEs Customers	Ad-Hoc Committees - Oversight: External / from Utility Industry Ad-Hoc Committees - Technical: External CIS SMEs	CIS Vendor Secondary System Vendor(s)	System Integrator Specialized Technical and Other Project Consultants
Responsibility Notes	Executive-level oversight. Authorize joint venture and initial project charter. Receive updates as needed. Resolve issues escalated from Oversight Committee.	High-level oversight. Approve initial and subsequent versions of charter. Approve and authorize funding and resources. Resolve issues escalated from Sponsors. Monitor project progress against cost, schedule, scope and quality.	Ownership of project and new CIS. Develop and update project scope, schedule, cost. Provide ongoing guidance to Project Manager. "Managing Agency" Sponsor is member of the Project Team and directs Project Manager.	Overall responsibility for daily management of project scope, budget, schedule, and quality.	Provide specific knowledge or expertise required by the Project. SMEs and Users are allocated to the Project by members of the Oversight Committee.	Non-vendor external expertise within both the utility industry and organizations who have implemented CIS projects.	CIS vendors to be selected through competitive procurement processes that involve SMEs and Users.	Consultants in areas such as: project management, business process analysis, requirements development, vendor selection, vendor contracting, and system integration.
Meeting Frequency	Quarterly	Monthly	Biweekly	Weekly	TBD	As Needed	TBD	TBD

TVWD-Clean Water Services Executive Briefing: Customer Information System (CIS) Project
Project Sponsors Andrew Carlstrom and Mark Poling
2/14/2018

Issue: What should the future structure be for the TVWD-CWS utility billing technology relationship?

TVWD and CWS staff have taken the time, prior to both agencies establishing a Customer Information System project charter, to collaboratively discuss how to organize the utility billing technology relationship under a new Customer Information System.

Options and Evaluation: Joint Venture, Joint Venture "Lite", Lease, and IGA

TVWD and CWS staff identified four partnership options, developed evaluation criteria, and then jointly scored the options using these criteria (below).

Recommendation: Staff recommend implementing a variant of a Joint Venture structure - either a "Joint Venture" (Option 1) or the similar "Joint Venture Light" (Option 2) - for the CIS project and the TVWD-CWS relationship under the new CIS. This recommendation is based on the following objectives:

- ✓ Enhance partnerships
- ✓ Minimize risks
- ✓ Provide transparency in cost sharing

Executive Decision Point for Today's Meeting: Do the TVWD and CWS executive leadership authorize project sponsors to implement a variant of a Joint Venture Structure - either a Joint Venture or a "Joint Venture Lite" - for the CIS project and the TVWD-CWS relationship under the new CIS?

Next Steps if Approved:

1. Begin drafting agreement(s) using feedback from executive briefing
2. Develop MOU for meter to cash audit
3. Develop overall project charter for executive approval

DESCRIPTION	CURRENT	OPTIONS FOR NEW CIS			
		Option 1 Joint Venture	Option 2 Joint Venture Lite	Option 3 Lease	Option 4 IGA
CAPITAL INVESTMENT					
Software	TVWD	Joint Venture	TVWD/CWS	TVWD	TVWD
Hardware	TVWD	TVWD	TVWD	TVWD	TVWD
COST RECOVERY					
Software Investment	Replacement Cost Depreciation	Ownership	Ownership	Fixed Lease	ROI + Depreciation
Hardware Investment	Replacement Cost Depreciation	ROI + Depreciation	ROI + Depreciation	ROI + Depreciation	ROI + Depreciation
Personnel Services	Time and Materials	Time and Materials	Time and Materials	Time and Materials	Time and Materials
Materials and Services	Time and Materials	Time and Materials	Time and Materials	Time and Materials	Time and Materials
ALLOCATION METHOD					
Software Investment	Number of Bills of Partners	% Ownership	% Ownership	Lease terms	Number of Bills of Partners
Hardware Investment	Number of Bills of Partners	Number of Bills of Partners	Number of Bills of Partners	Number of Bills of Partners	Number of Bills of Partners
Personnel Services	Number of Bills of Partners	Number of Bills of Partners	Number of Bills of Partners	Number of Bills of Partners	Number of Bills of Partners
Materials and Services	Number of Bills of Partners	Number of Bills of Partners	Number of Bills of Partners	Number of Bills of Partners	Number of Bills of Partners
GOVERNANCE					
	Vendor/Customer	Executives Appointed by Venturers	Terms of the IGA	Vendor/Customer	Vendor/Customer
DISTINGUISHING CHARACTERISTICS					
		Software Assets Held by JV	Software Assets Booked by Each Partner	Operates as a capital lease to recover Software Costs	Similar to Current with more orthodox capital recovery
EVALUATION OF OPTIONS					
Criteria		Option 1 Joint Venture	Option 2 Joint Venture Lite	Option 3 Lease	Option 4 IGA
Industry Standard		3	4	1	3
Transparency in Cost Sharing		4	3	1	3
Cost Predictability		4	3	2	2
Flexible		4	4	1	2
Durable		3	3	1	2
Ease of Implementation		3	3	1	3
Fits Timeline		2	2	2	2
Equitable Representation		4	3	1	1
Business Opportunities		4	3	1	2
Ease of Administration		1	2	3	3
Timely Decision Making		2	2	2	2
Agility		1	2	2	2
Foster Collaboration		4	4	1	2
Ownership of Assets		4	4	1	1
		43	42	20	30

Customer Information System (CIS) Project Update

April 3, 2018 Board Work Session

Andrew Carlstrom
Customer Service Manager



Background: The Meter-to-Cash Cycle

What is the “Meter-to-Cash” Cycle?

- **At a high level, and in aggregate, the processes of:**
 - Enrolling customers
 - Maintaining appropriate account data
 - Reading meters
 - Billing customers
 - Receiving payments
 - Addressing collections issues
 - Providing refunds; and
 - Applying the payments to the proper accounting ledger



Delivering the Best Water  Service  Value

Upgrading Operations: Customer Information System (CIS)

Delivering the Best Water  Service  Value

4

What IS a Customer Information System?

A CIS is the application that provides an integrated environment with which utilities use to perform functions of the meter-to-cash cycle, i.e.:

- **Enroll new customers**
- **Generate billings, manage credit and collections**
- **Track water consumption**
- **Track and manage meters**
- **Handle customer inquiries, complaints, service orders**
- **Provide call center support**



Source: Water Research Foundation, Report #4583

A Brief Background on CIS...

- **TVWD implemented internally-developed Utility Billing (UB) in 2007**
- **UB provides limited functionality**
- **TVWD is entirely reliant on customized software**
- **Efficiency of TVWD meter-to-cash processes are limited by UB**
- **New commercial CIS technologies at TVWD will:**
 - Modernize customer service and billing processes
 - Provide TVWD and Clean Water Services (CWS) users greater reporting capabilities
 - Simplify and enhance the TVWD technology footprint

A Brief Background on CIS...(continued)

- **TVWD 2015 IT Master Plan:**
 - Replace UB with new CIS
- **Need for new payment system paused CIS project**
 - TVWD and CWS better prepared for CIS project after Paymentus
- **TVWD and CWS goal: zero customization of new CIS**
 - Operations must adapt to selected system, not vice-versa
- **TVWD and CWS**
 - CIS project partnership with joint ownership
 - TVWD will serve as “managing agency” for project and system

CIS Project Purpose

Project Purpose

- **Replace TVWD’s aging, customized Utility Billing (UB) system with a commercial, off-the-shelf Customer Information System.**
 - Project will continue to build on the collaborative business relationship between TVWD and Clean Water Services.

CIS Project Objectives

CIS Key Project Objectives

1. Address current and projected business needs
2. Provide improved system reliability
3. Increase customer satisfaction
4. Improve supportability through:
 - ✓ Minimizing (goal is zero) new system customization
 - ✓ Regular, vendor-provided technology updates
 - ✓ Complete legacy platform retirement

CIS Project Objectives (continued)

CIS Key Project Objectives

5. Provide greater integration with key business systems
6. Manage risk through:
 - ✓ Better controls
 - ✓ Data management, including customer information
 - ✓ Vendor support
7. Provide a sustainable, predictable support cost model

CIS Project Scope

Project Scope Component

1. Meter-to-cash audit (external consultant working with staff)
2. Determine which processes are “in scope” and part of new system
3. Define functional and technical requirements; publish request for proposal (RFP)
4. Select and procure new CIS and implementation consultant(s)
5. Develop and execute an implementation plan

CIS Project Schedule

Project Phase By Year

2018: Authorize project charter, select consultant firm, conduct meter-to-cash audit, develop requirements and RFP, select CIS vendor

2019: Implement

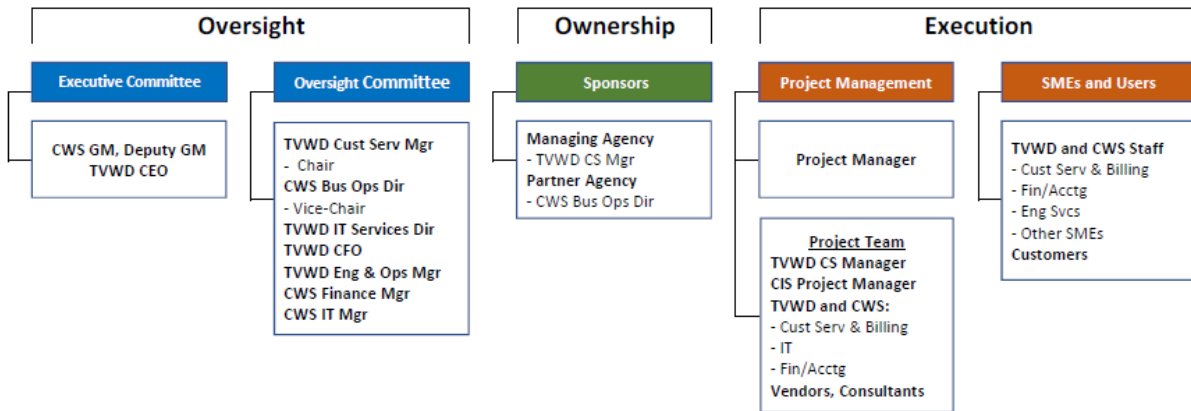
2020: Implement + new CIS go-live

CIS: TVWD Budgeted Funds, 2017-2019 Adopted Budget

Customer Information System
\$4.822 million for project (in Capital Improvement Plan)
\$100,000 for meter-to-cash audit
Clean Water Services cost share: to be determined
Estimate of vendor-provided system: to be determined
Total project cost: to be determined

CIS Project Structure

- **CIS project will use District’s approach to technology projects**
 - CIS project collaborative, multi-disciplinary
 - Customer Service will be CIS project and new system “owner”



CIS Project Update: Agreements and Professional Services

Agreement Background: TVWD and CWS

- **TVWD-CWS entering partnership for CIS project, system**
 - TVWD will be managing agency
 - CWS will be partner agency
 - Both agencies will have ownership stake
- **Partnership will be created by agreement**
 - Executives will appoint designees
 - “Entity” will not have independent governing board

TVWD/CWS Considered Multiple CIS Partnership Structures

- **Contrasted:**
 - Capital investment
 - Cost recovery
 - Allocation method
 - Governance
 - Distinguishing characteristics
- **Evaluated:**
 - Multiple partnership structures against 14 criteria
 - Criteria examples: industry standard, foster collaboration

TVWD/CWS CIS Draft Agreement Strategy

Upcoming TVWD-CWS CIS Agreements

1. Agreement for consultant services, initial project phase (2018):

- Meter-to-cash audit
- Develop system requirements, CIS vendor RFP
- Vendor selection process, contract negotiation
- + Project management services for duration of project

2. Agreement for implementation (2019):

- System vendor costs
- Implementation consultant services

3. Ongoing (2020):

- Operations agreement under new CIS

TVWD/CWS Draft CIS Strategy: Professional Services

Initiation	System Selection	CIS Go-Live
<p style="text-align: center; color: red;">↓</p> <p><u>CIS Phase 1</u> Conduct Needs Assessment Select New System</p> <p><u>Agreement</u> TVWD/CWS Project Agreement #1</p> <p><u>Professional Services</u> Project Management Meter-to-cash Audit Develop CIS requirements Develop CIS vendor RFP Select CIS vendor Negotiate Contract</p>	<p style="text-align: center; color: red;">↓</p> <p><u>CIS Phase 2</u> Implement New System</p> <p><u>Agreement</u> TVWD/CWS Project Agreement #2</p> <p><u>Professional Services</u> Project Management Implementation Services</p>	<p style="text-align: center; color: red;">↓</p> <p><u>CIS Phase 3</u> Ongoing Operations Continuous Improvement</p> <p><u>Agreement</u> Ongoing Operations Agreement</p> <p><u>Professional Services</u> Project Management (several months after go-live)</p>

Delivering the Best Water Service Value

19

CIS Project Update: Business Process Analysis

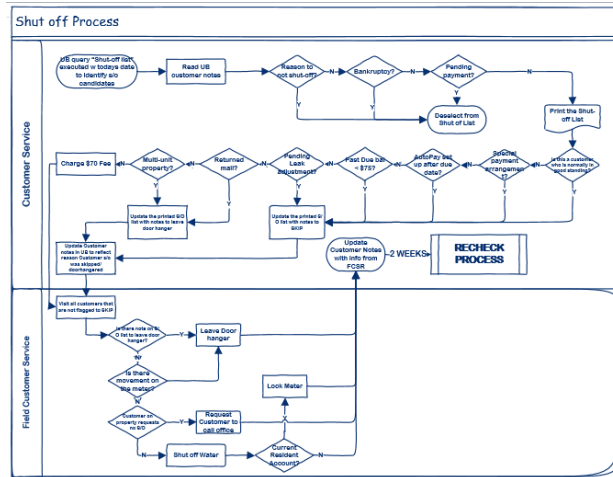
Delivering the Best Water Service Value

20

CIS Project Business Process Analysis

- **CIS Project: Meter-to-Cash Audit**

- Coordinator: Donna Andrews, Business Analyst
- Audit pre-work: develop business process workflows
- Pre-work will streamline consultant project activities
- Audit is groundwork for developing new system requirements



Closing

- **CIS**
 - District initiative
 - Multi-year, multi-phase, multi-agency project
 - Project will apply industry best practices
 - TVWD and CWS collaborative CIS partners, will share costs
 - Project will strongly rely on external expertise, staff involvement
 - All District departments impacted by replacing CIS
 - Staff will provide regular updates to Board

QUESTIONS?

PERS (Public Employees Retirement System) Update

Board Work Session

April 3, 2018

Tualatin Valley Water District


Delivering the Best Water  Service  Value

Overview

- TVWD's current situation
- Legislative reforms
- Next steps

Simple Formula for PERS

$\text{Benefits} = \text{Contributions} + \text{Earning}$

Or

$\text{Contributions} = \text{Benefits} - \text{Earning}$

Where:

- *Benefits* are set by Oregon Legislature
- *Contributions* are determined by the PERS Board, and
- *Earnings* are set by the market

TVWD's PERS Rates

Program	Biennium			Proposed 2019-21
	2013-15	2015-17	2017-19	
Tier 1/Tier 2	10.09%	13.66%	17.78%	22.03%
OPSRP	8.02%	8.22%	11.20%	16.79%

TVWD's PERS Liabilities

- Net unfunded actuarial liability (UAL) as reported by PERS for December 31, 2016 valuation date
- UAL based on actuarial assumptions on future earnings and benefits
- Extremely volatile

Description	12/31/2016
UAL	
Tier 1/Tier 2	\$22,079,087
OPSRP	1,763,176
Less:	
Transition Liability	(2,873,531)
Existing Side Account	(1,133,596)
Net UAL	\$19,835,136

Recent PERS Reforms

House Bill 4159

- Provides members choices in investing their Individual Account Program

Senate Bill 1529

- Provides an estimated \$25 million to fund the employer incentives to fund side accounts

Senate Bill 1566

- Provides framework for side account incentives

Incentives to Fund Side Accounts

Senate Bill 1529

- Establishes and appropriates money to the Employer Incentive Fund (EIF)
- Funded from reconnecting Oregon's tax code to federal tax changes from tax reform
- Projected by the Legislative Revenue Office to provide \$25 million for EIF

Senate Bill 1566

- Establishes eligibility criteria for EIF
- Match rate up to 25% of PERS employer's contribution
- Minimum contribution is \$25,000
- Maximum contribution is 5% of UAL or \$300,000, whichever is greater
- Preference for PERS employers with UAL of 200% or more of salary
- TVWD UAL is 194% of salary

Preliminary Analysis of TVWD

Sample of 474 PERS Employers

- Excludes schools, community colleges and State
- Approximately 44% of employers have UAL as percent of Salary of 200% or more
- Total UAL of those employers is approximately \$2.95 billion
- Could easily consume \$25 million incentive fund
- Depends on participation decisions of employers

Next Steps

1. Continue to monitor rulemaking by PERS
2. Participating in an analysis of side account risk with other agencies
3. Bring future updates to the Board as warranted
4. Others?

Joint Meeting Discussion

April 3, 2018 Board Work Session

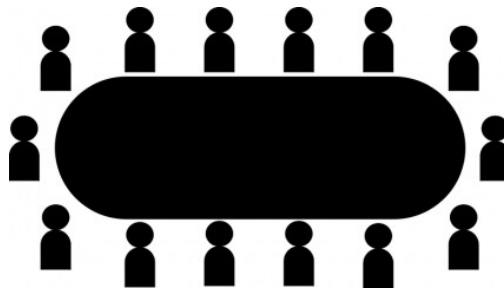
Andrew Carlstrom
Customer Service Manager

Tualatin Valley Water District

Delivering the Best Water Service Value

Joint Meetings: TVWD Board and Other Public Entities

- **Recent examples**
 - 3/14/2018: TVWD and Hillsboro Utilities Commission
 - 4/2/2018: TVWD and West Slope Water District



Delivering the Best Water Service Value

34

Why Joint Meetings?

- **Can serve a variety of purposes, such as:**
 - Discussion forum for specific issues
 - Staff updates for both boards
 - Informally explore mutual interests
 - Meet to satisfy agreement requirement
 - Build relationship
- **Interagency collaboration**
 - Benefit to public and both agencies
- **Minimal cost**



Board Discussion: Joint Meetings

1. **Feedback to staff regarding recent joint meetings:**
 - a. With Hillsboro Utilities Commission
 - b. With West Slope Water District
2. **What value does the Board see in joint meetings?**
3. **Does the Board want additional joint meetings?**
4. **Does the Board seek specific joint meeting opportunities?**